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C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 000143

SIPDIS

E.O. 12958: DECL: 01/23/2019

TAGS: PGOV PREL MOPS PTER PK

SUBJECT: USCENTCOM PETRAEUS MEETS WITH PRESIDENT ZARDARI

Classified By: Anne W. Patterson for reasons 1.4 (b), (d).

¶1. (C) Summary: During a meeting January 20 with USCENTCOM Commander General David Petraeus and the Ambassador, President Asif Zardari welcomed the "new beginning" of the Obama Administration, urging both countries' military commanders to "revisit the map" on how to jointly fight regional extremism. Zardari lamented that the November terrorist attacks in Mumbai had diverted the attention and resources of his government and the Army. Fighting the insurgency along Pakistan's border with Afghanistan would take years more and substantial increases in aid. However, he advocated increased trade with the U.S. to create jobs and fight poverty; "poverty fuels extremism," Zardari concluded. Zardari committed to being helpful on the Mumbai attacks investigation, but blamed recent tensions with India on PM Singh's need to be tough before upcoming elections. An Indian link should not be denied either, Zardari suggested. Zardari also requested Petraeus' advocacy on behalf of Pakistan with the International Monetary Fund, to get better terms on a five-year loan, and with the Gulf states, to obtain concessional terms for oil. End summary.

"Revisit the Map"

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¶2. (C) On January 20, USCENTCOM Commander General David Petraeus and the Ambassador, accompanied by USCENTCOM J5 Major General Robert Allardice, Political Advisor Michael Gfoeller, and Transportation Command J4/J5 Rear Admiral Mark Harnicheck, met with Pakistan President Asif Zardari. Also attending was Chief of Army Staff (COAS) General Ashfaq Kayani. Petraeus remarked that Pakistan's regional neighbors -- Russia, China and the Central Asian republics -- had just as much interest in successful counterterrorism (CT) and counter-insurgency (COIN) strategies in Afghanistan and Pakistan as the United States. He also believed the new U.S. administration would be a "new beginning" for all the region's players to review their CT/COIN efforts.

¶3. (C) Zardari agreed, saying that Petraeus and Kayani should sit down to "revisit the map." He said that the mindset of extremists across the region was the same; a common defense strategy was possible. Petraeus complimented Kayani for Pakistan's "commendable" cross-border cooperation. He also thanked the Army for keeping the Khyber Pass open to ISAF supply convoys. Zardari reciprocated, noting the U.S. role in encouraging better Pak-Afghan relations; he suggested an alternate route for supplies via Pakistan's new Gwadar port, crossing into Afghanistan at Chaman. We could build a road "just for you" up Pakistan's western border. Petraeus

informed Zardari that more U.S. troops would be sent to Afghanistan. In reply, Zardari asserted that India's reaction after the Mumbai attacks had "forced a change in Pakistan's focus" from its western border with Afghanistan.

¶4. (C) Petraeus noted the difficulties in separating "irreconcilables" from those militants that could be pacified. Zardari assured Petraeus that the GOP was now suspicious of talks with militants, burned by the initial efforts in Swat (Northwest Frontier Province (NWFP) and frustrated by the militants' "then, when, and if" delaying tactics. He complained that it was difficult to differentiate among the myriad names and faces of the terrorists' "murky" chain of command. Politically, however, Zardari said he needed to be publicly open to talks.

¶5. (C) Pakistan, alone, could not compete with the illicit drug money funding the militants, Zardari argued. Many of the militants were foreigners with outside funding. "If I were given sufficient support, I could compete." He pointed to the level of U.S. funding in Iraq and Afghanistan to illustrate how much an effective COIN strategy could cost. Whatever the amount, the U.S. commitment would have to be for many more years, Zardari said. The fight against terrorism is "difficult but not impossible," though Pakistan would receive the brunt of the militants' counter-attacks. Petraeus said the U.S. would be able to help the GOP with "hold and build," if the Army could "clear." Zardari confessed that the Army was "fatigued," and its "capabilities constrained."

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Mumbai Attacks

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¶6. (C) Petraeus said India, too, had an interest in Pakistan's fight against militants. India should help Pakistan in its CT/COIN efforts, he added, but Pakistan also had to help India help Pakistan. Zardari encouraged Petraeus to make those same points in any press remarks; however, Zardari also wanted to note that he warned Indian PM Singh that the extremists were "baiting" the GOI with the Mumbai attacks to derail his own reconciliatory moves. Kashmir was a "populist issue" on both sides of the border. Petraeus committed to make the point in Washington again that India should encourage the GOP's efforts to investigate Pakistan links to the attacks and it should avoid creating politically-based distractions.

¶7. (C) Petraeus offered that the anticipated naming of a U.S. Special Envoy to the region would bring diplomatic attention to Pak-Indo relations. Additionally, the GOP's acknowledgment of a Pakistan link was helpful. Zardari quickly replied: the Mumbai attacks were also linked to terrorist cells "indigenous" to India. He surmised that the GOI has ignored this possibility because of upcoming elections and that the attacks played out on TV over days did not help. He noted a change in Singh's tone after that first day when, speaking to Zardari, his reaction was "contained." Zardari was suspicious about the subsequent GOI accusations, saying India was "looking for an advantage."

¶8. (C) Zardari noted that, in contrast, Afghan President Karzai, while recently in India, had made supportive statements of the GOP's efforts thus far. He added, "The world needs to understand our challenge," and claimed, "we have been successful in convincing our people that this is 'our war' on terror." Petraeus warned that India, as well as the international community, would "judge Pakistan by what it did."

"Trade, Instead Of Aid"

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¶9. (C) Zardari turned to the global economic crisis,

describing how it was affecting his country as well as his government's ability to fight militants. "Poverty fuels extremism," he said. He lamented Pakistan could not secure better terms on its loan from the International Monetary Fund (IMF) and had hoped for a five-year deal instead. Zardari specifically requested Petraeus' advocacy with the IMF. He informed Petraeus that he was still trying to convince unnamed Gulf states to provide oil at cost. "It will help us greatly, and they will barely notice the profit loss," the President added. Again, he asked Petraeus to personally intervene on Pakistan's behalf.

¶10. (C) Zardari complained that his government was forced to "pass on all the pain that the former Musharraf administration ignored." He appreciated USG ideas to provide additional aid to Pakistan, but thought any bump in development assistance under "Biden-Lugar" legislation and the establishment of reconstruction opportunity zones (ROZs) would take too long to show results. He wanted immediate tariff breaks for his country's textile and surgical instruments industries. Zardari said, "Instead of aid, we need trade," though he conceded later that Pakistan needs everything.

¶11. (U) This message has been cleared by USCENTCOM.

PATTERSON